



Space Family Education, Inc.

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Accredited by the
National Academy
of Early Childhood
Programs



To: SFEI Membership
From: SFEI Treasurer
Subj: Finance Planning Meeting -- Monday, February 28
Date: February 24, 2005

Since SFEI opened its doors, the Child Care Center has provided high quality day care at a very reasonable price per child compared to other centers in the Clear Lake area. Several operating costs have risen sharply in the last couple years -- primarily costs for medical and auto liability insurance and the purchase of the 2 buses. These costs would normally have been passed on to the members in the form of a tuition increase, but our corporate finances were able to sustain these cost increases without raising tuition.

Recently, in the course of developing our new budget, we discovered that we missed some expenditures in the original budget. As a result of this discovery, it has become apparent that we have a significant financial issue in the form of a near-term cash flow problem, as well as a long-term budget deficit. We are taking immediate action to ensure the accounting issue does not recur. Simultaneously, we would like to get parent input on the near and long-term options to improve our solvency.

We will hold a meeting to discuss this issue on **Monday, February 28, 2005, from 11:30 am-1:00 pm in the Coronado Room at the Gilruth Center**. At this meeting, we will discuss options such as: 1) raising tuition; 2) ending Parent Watch; 3) increasing security deposits; and 4) increasing annual membership fees.

It may be necessary to consider a combination of steps to resolve both the near-term and long-term issues. We plan to use this meeting to arrive at a recommended solution for the Board of Directors to at least address the immediate problem and to begin work on the long term options. **All members are welcome and encouraged to attend this meeting.** The decisions will affect all members, and we need your involvement to ensure we can come up with an effective solution that meets the needs of the members and allows the minimum impact to our day-to-day operations.

If you have any questions, are interested in serving on the SFEI Budget Committee, or have a finance or accounting background and would like to get more involved, please contact me at 281/483-2424.

Thank you,

Jennifer Mason
SFEI Treasurer

Board of Directors

President Susan Gomez	Vice President Erica Vandersand	Treasurer Jennifer Mason	Secretary Louis Nguyen	Policies and Procedures Jennifer Lewis	Executive Director Kristy Hirning
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